Honorable Samuel J. Steiner
Chapter 11

Hearing Date:	November 12, 2010
Hearing Time:	9:30 a.m.
Hearing Place:	Seattle, WA
Response Date:	November 5, 2010

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re ADAM R. GROSSMAN, Debtor.	No. 10-19817-SJS REPLY TO DEBTOR'S OBJECTION TO MOTION FOR ORDER APPOINTING CHAPTER 11 TRUSTEE

Jill Borodin ("Rabbi Borodin") hereby replies to Debtor's objection to Motion for Order Appointing Chapter 11 Trustee (the "Motion").

I. RABBI BORODIN DOES NOT LACK STANDING TO REQUEST APPOINTMENT OF A TRUSTEE

The Debtor erroneously states that Rabbi Borodin, not being a creditor in this action, does not have standing to move this Court for an order appointing a trustee. The clear and unambiguous language of 11 U.S.C. §1104 states that: "At any time after the commencement of the case but before confirmation of a plan, *on request of party in interest* or the United States trustee, and after notice and a hearing, the court shall order the appointment of a trustee…." *Emphasis added.* Assuming, arguendo, that Rabbi Borodin is not a creditor in this action, she is undisputedly a party in interest as the soon-to-be ex-

CROCKER LAW GROUP PLLC
720 Olive Way, Suite 1000, Seattle, WA 98101
P) 206-624-9894 F) 206-624-8598
www.crockerlaw.com

spouse of the Debtor, with a pecuniary interest in the Debtor's estate. As such, she has standing to request the appointment of a trustee pursuant to 11 U.S.C. §1104.

II. THE AMENDMENTS TO THE DEBTOR'S BANKRUPTCY SCHEDULES DO NOT PROVIDE ADEQUATE DISCLOSURES

The various amendments filed by the Debtor to his bankruptcy schedules are deficient in numerous aspects, failing to disclose fully the Debtor's financial picture. To name a few examples, the Debtor has failed to comply with the United States Trustee's request to produce the trust documents holding the real property at 868 Montcrest Drive, Redding, California; has failed to adequately disclose information about his various businesses, including names of partners/members and tax identification numbers; and has failed to list Stephen LeBlanc as a creditor and provide the promissory note evidencing the debt. *See* Docket Entry No. 35; Exhibit A to Declaration of Ida Werner.

Most importantly, the Debtor has failed to disclose certain bank accounts bearing his name, and various unauthorized post-petition transfers from such accounts. *See* EXHIBITS 1, 2 and 3 to the Declaration of Karma Zaike. Specifically, the course of discovery in the dissolution proceeding pending in state court has revealed a Chase checking account number ending in 9774, undisclosed in the Debtor's bankruptcy schedules or the amendments thereto. *Id.* Standing out among the various post-petition transfers made from this account is one in the amount of $7,000, made on September 14, 2010, to the order of McKinley Irvin, a law firm specializing exclusively in family law. *See* **Exhibit 2** to the Declaration of

CROCKER LAW GROUP PLLC
720 Olive Way, Suite 1000, Seattle, WA 98101
P) 206-624-9894 F) 206-624-8598
www.crockerlaw.com

Karma Zaike. These additional instances of Debtor's intentional disregard toward the Bankruptcy Code disclosure requirements provide further support for the need for appointment of a neutral trustee to monitor the Debtor's conduct with regard to his bankruptcy estate, and prevent the Debtor from using the bankruptcy system to delay and hinder the dissolution proceeding pending in state court.

For these reasons, the Court should grant Rabbi Borodin's motion for order appointing a chapter 11 trustee.

DATED this 9th day of November, 2010.

CROCKER LAW GROUP PLLC

By *_/s/Tereza Simonyan_*
Shelly Crocker, WSBA #21232
Tereza Simonyan, WSBA #41741
Attorneys for Jill Borodin

CROCKER LAW GROUP PLLC
720 Olive Way, Suite 1000, Seattle, WA 98101
P) 206-624-9894 F) 206-624-8598
www.crockerlaw.com